

## Message Text

UNCLASSIFIED

PAGE 01 NEW DE 06196 210749Z  
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 COME-00 OPIC-06 TRSE-00 OMB-01  
DOE-15 SOE-02 AGRE-00 AID-05 PA-02 ICA-20 CIAE-00  
INR-10 NSAE-00 SP-02 L-03 H-02 /087 W  
-----121719 220719Z /11

R 200711Z APR 78  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 1055

UNCLAS NEW DELHI 6196

E.O. 11652: N/A  
TAGS: EINV ECEM IN  
SUBJECT: REPORTED GOI INTENTION TO TAKE OVER AMOCO'S  
EQUITY IN MADRAS FERTILIZERS LIMITED

REF: MADRAS 0616

FOLLOWING SENT ACTION NEW DELHI INFO BOMBAY CALCUTTA  
FROM MADRAS APR 18 IS REPEATED

QUOTE  
UNCLAS MADRAS 0616

E.O. 11652: N/A  
TAGS: EINV, ECEM, IN  
SUBJECT: REPORTED GOI INTENTION TO TAKE OVER AMOCO'S EQUITY  
IN MADRAS FERTILIZERS LIMITED

1. THE WELL-KNOWN MADRAS ENGLISH DAILY, THE HINDU, IN A  
PROMINENTLY FEATURED FRONT PAGE ARTICLE ON APRIL 14  
REPORTED UNDER A NEW DELHI DATELINE OF APRIL 13 THAT THE GOI  
QUOTE IS UNDERSTOOD TO HAVE DECIDED TO TAKE OVER THE 24.5  
PERCENT SHARE HOLDING OF THE U.S. CMOMPANY, AMVOCO INDIA  
INCORPORATED, IN MADRAS FERTILIZERS LIMITED (MFL) AND HAS  
ALREADY INITIATED MOVES FOR THE PURPOSE UNQUOTE. THE ARTICLE  
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ADDED THAT THE GPOI MINISTRY OF PETROLEUM, CHEMICALS AND  
FERTILIZERS, IS NOW WORKING ON THE MODALITIES FOR THE COMPEN-  
SATION PAYABLE TO THE AMERICAN COMPANY. THE ARTIPCLE ALSO  
NOTED AMOCO'S SHARE HOLDING IN MADRAS REFINERIES LIMITED  
(MRL) AND STATED THAT WHILE THE GOI HAS NOT PROPOSED ANY  
DISINVESTMENT OF THESE HOLDINGS BY THE AMERICAN COMPANY, THE  
AMERICAN COMPANY ON ITS OWN IS EXPECTED TO PULL OUT OF MRL.

2. THE MRL AND MFL ARE TMWO PUBLIC SECTOR COMPANIES IN WHICH THE EQUITY IS HELD BY THE GOI, AMOCO INDIA INCORPORATED, A WHOLLY-OWNED SUBSIDIARY OF AMOCO INTERNATIONAL OIL COMPANY AND THE NATIONAL IRANIAN OIL COMPANY (NIOC). IN MRL, WHICH OPERATES A PETROLEUM REFINERY NEAR MADRAS, THE GOI OWNS 74 PERCENT OF THE EQUITY AND AMOCO AND NIOC OWN 13 PERCENT EACH. THE GOI OWNS 51 PERCENT OF THE EQUITY IN MFL, WHICH OPERATES A FERTILIZER PLANT NEXT TO MRL, AND AMOCO AND NIOC OWN 24.5 PERCENT EACH. ORIGINALLY AMOCO OWNED 49 PERCENT OF THE EQUITY IN MFL BUT PARTED WITH HALF OF ITS EQUITY TO NIOC AS A RESULT OF NIOC EXERCISING ITS OPTION TO GET THIS AMOUNT OF EQUITY ACCORDING TO AN UNDERSTANDING WITH AMOCO. WHILE GOI HAS MANAGEMENT CONTROL IN MRL, AMOCO RETAINS MANAGEMENT CONTROL IN MFL UNTIL JANUARY 1981.

3. THE MANAGING DIRECTOR OF MADRAS FERTILIZERS TOLD US THAT HE IS OFFICIALLY NOT AWARE OF ANY OF THESE PROPOSALS. HOWEVER, HE ADDED THAT SOME OFFICIALS BELOW THE RANK OF SECRETARY IN THE MINISTRY OF PETROLEUM, CHEMICALS AND FERTILIZERS, HAVE AIDED PROPOSALS FOR THE GOI TO TAKE OVER AMOCO'S EQUITY IN MFL, ALTHOUGH THERE HAVE BEEN NO NEGOTIATIONS SO FAR ON THIS SUBJECT. THE FINANCIAL EDITOR OF THE HINDU ALSO TOLD US THAT THE REPORT BY ONE OF THE PAPER'S CORRESPONDENTS IN NEW DELHI WAS BASED ON TALKS WITH GOI OFFICIALS IN THE FERTILIZER SECTION OF THE MINISTRY.

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MCCASKILL

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GOHEEN

NOTE BY C/T: MESSAGE DELAYED IN TRANSMISSION.

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, FERTILIZERS, BUSINESS FIRMS  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
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**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**TAGS:** EINV, ECEM, IN, US, AMOCO  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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